

Department of Legislative Services  
Maryland General Assembly  
2006 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 460

(Delegate Stocksdales, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

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Maryland Agricultural Land Preservation Foundation - Restrictions of Released  
Lots

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This bill authorizes the Maryland Agricultural Land Preservation Foundation (MALPF) to waive specified restrictions governing the maximum size of released lots so that the maximum lot size is two acres if: (1) MALPF receives a recommendation to allow a maximum lot size of more than one acre from the county agricultural preservation advisory board and the planning and zoning authority of the jurisdiction where the land is situated; and (2) MALPF makes a determination that a lot size greater than one acre will not interfere significantly with the agricultural use of the land under easement.

The bill takes effect July 1, 2006.

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Fiscal Summary

**State Effect:** Potential minimal increase in special fund revenues from reimbursements by landowners due to any increase in acreage released. Expenditures would not be directly affected.

**Local Effect:** The bill's changes regarding the maximum size of released lots could result in administrative savings.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Except under specified conditions, upon written application, MALPF is required to release, free of easement restrictions only for the landowner who originally

sold the easement, one acre or less for the purpose of constructing a dwelling house for the use of that landowner or child of the landowner, up to a maximum of three lots. A landowner may reserve the right to exclude one unrestricted lot from an easement in lieu of all owner's and children's lots under specified conditions. Except under specified conditions, upon request, an owner may exclude from the easement restrictions one acre per each single dwelling that existed at the time of the sale of the easement as an owner's, children's, or unrestricted lot; before such an exclusion is granted, an owner must agree not to subdivide further for residential purposes any acreage allowed to be released.

If a landowner's easement option contract was approved by the Board of Public Works before October 1, 2003, the landowner retains the following lot rights: (1) the landowner who sold the easement reserves the right to exclude from the easement one acre or less to construct a dwelling house for the use of the landowner or child of the landowner, up to a maximum of 10 lots at a density of one dwelling per 20 acres; (2) the landowner who sold the easement or any subsequent landowner may exclude from the easement up to one acre per each single dwelling that existed at the time of the sale of the easement, subject to the condition that the lot cannot be subdivided further for residential purposes; and (3) no unrestricted lot right is available to landowners whose easement option contract was approved by the Board of Public Works before October 1, 2003.

The maximum lot size for all lots released from easement restrictions may be greater than one acre, but no more than two acres, if: (1) regulations adopted by the Maryland Department of the Environment require a minimum lot size for a dwelling house of not less than two acres in specified areas; or (2) regulations adopted by the jurisdiction in which the land is situated require that a lot for a dwelling house be larger than one acre.

**Background:** MALPF was created by the Maryland General Assembly in 1977 to preserve productive agricultural land and woodland. Agricultural preservation districts are formed when qualifying landowners sign voluntary agreements to keep their land in agricultural or woodland use for at least five years. Landowners who agree to place their farms within an agricultural preservation district may sell a development rights easement on that property to MALPF. Subject to some limitations, once an easement has been sold, the property is protected from further development. As of June 30, 2005, MALPF had protected approximately 242,822 acres through the purchase of 1,757 easements.

**State Revenues:** Under current law, an owner requesting a lot release must reimburse MALPF for the acreage released at the per-acre price paid for the easement. Accordingly, if the bill's changes regarding restrictions on sizes of released lots result in an increase in the number of acres released, special fund revenues from reimbursements would increase accordingly. MALPF advises that, in fiscal 2005, per-acre easement costs averaged approximately \$2,600 statewide. Projected per-acre easement costs for fiscal

2007 average \$3,500 statewide. Any increase in revenues would likely not be significant, however.

**Local Expenditures:** According to MALPF, local agricultural land preservation staff have had difficulties creating workable lots within the existing statutory requirements regarding maximum lot size. The bill's changes regarding the maximum size of released lots could ease this administrative burden.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Agriculture (Maryland Agricultural Land Preservation Foundation), Maryland Department of Planning, Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2006  
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